



# BUDGET BRIEFING

DWIGHT EVANS, DEMOCRATIC CHAIRMAN

July 18, 2007

## 2007/08 DPW Budget: Mental Retardation Programs

The Department of Public Welfare (DPW) supervises and funds the Commonwealth's mental retardation system which currently serves 46,000 individuals with mental retardation. The Mental Health/Mental Retardation Act of 1966 establishes responsibilities for state and county government, identifies mandated services, defines eligibility, and creates procedures for commitment to state facilities. Community services, both residential and non-residential, are provided through county-operated programs. Individuals receive institutional care through state-operated mental retardation centers and private intermediate care facilities.

The 2007/08 mental retardation budget totals \$2.3 billion (state, federal and other funds), three-quarters of which is for community MR services. This funding maintains services for 46,000 individuals and expands community services to another 3,428 individuals as part of a significant initiative to reduce the emergency waiting list for services. It also provides a three percent cost of living increase for community programs.

### Community MR Services

2007/08 state funding for community MR services is \$868 million, an increase of \$78.5 million (or 9.9 percent) from 2006/07. DPW distributes budgeted funds as grants to the county Mental Health/Mental Retardation offices for their programs.

Community residential programs help individuals become independent and encourage active participation in the community. Residential options

include: licensed group homes for three or four people; single apartment with a roommate; and family living settings, in which one or two people receive services in the licensed home of an unrelated adult.

Community non-residential programs provide services to individuals and their families. Day services help individuals with mental retardation develop their personal and vocational skills. Day services include employment and training programs, socialization and recreation activities, therapy, and adaptive equipment. Family support services help families who care for a family member with mental retardation. Family services include respite care and adult day care.

DPW provides community services to Medicaid eligible individuals through two waiver programs that receive federal matching funds.

- The Consolidated Waiver provides residential as well as non-residential services for individuals who require high levels of support and monitoring. Most waiver users receive residential services, often in small group homes.
- The Person/Family Directed Support (P/FDS) Waiver provides non-residential services and only serves individuals who live in their own home or their family's home.

Individuals who are eligible for the waiver programs receive services, provided there is sufficient funding and capacity. Otherwise, they are placed on county waiting lists for services.

Funding for Mental Retardation Programs FY 2007/08				
(\$ Millions)	State	Federal	Other	Total
Community MR Services	\$ 868.1	\$ 844.4	\$ -	\$ 1,712.5
State MR Centers	\$ 107.2	\$ 156.0	\$ 28.2	\$ 291.4
Intermediate Care Facilities - MR	\$ 125.5	\$ 178.2	\$ 17.6	\$ 321.3
<b>TOTAL</b>	<b>\$ 1,100.8</b>	<b>\$ 1,178.7</b>	<b>\$ 45.8</b>	<b>\$ 2,325.3</b>

<b>Mental Retardation Program Performance Measures</b>	<b>2006/07</b>	<b>2007/08</b>
Persons receiving institutional services (at end of year):		
State MR Centers	1,380	1,318
Private ICFs/MR	2,581	2,533
Persons receiving community services:		
Consolidated Waiver services	14,409	15,489
Person/Family Directed Waiver services	7,988	10,380
Base services (not eligible for federal Medicaid funding)	20,499	20,499
Average cost of persons served in the community:		
Residential services	\$ 68,694	\$ 73,091
Non-residential services	\$ 12,704	\$ 13,698

Source: DPW FY 2007/08 Budget Request

As of June 2007, Pennsylvania had 21,412 people on county waiting lists. This includes 4,264 individuals who are on the emergency waiting list and are in immediate need of services (e.g., a person has a death in the family and no other family is available to provide support). Ninety-four hundred sixty (9,460) individuals are on the critical waiting list and will be in need of services within two years (e.g., a person has an aging or ill caregiver who soon will be unable to provide support). Seventy six hundred eighty eight (7,688) individuals are on the Planning waiting list and will be in need of services within the next five years.

**Reducing the Waiting List** The 2007/08 budget provides \$25 million in state funds to expand home-and-community based services to an additional 3,428 individuals. This increased funding is expected to eliminate the Emergency waiting list for non-residential services and to reduce by approximately 60 percent the Emergency waiting list for residential services.

The state expansion funds, which earn federal matching funds, will be used as follows:

- \$13.5 million to provide residential services to 963 individuals who are on the Emergency waiting list for Consolidated Waiver services.
- \$6.4 million to provide day services and individual support services to 1,592 individuals who are on the Emergency waiting list for P/FDS Waiver services.
- \$3.2 million to provide skill-strengthening daytime activities to 800 special education graduates.
- \$2 million for services to 73 young adults who are turning 21 and "aging out" of EPSDT comprehensive services in the Medical Assistance program.

**Three Percent COLA** The 2007/08 budget includes \$24.3 million in state funding to support a three percent COLA for community programs. This

represents the largest cost of living increase in more than 15 years. State funds will draw \$22.9 million in federal matching funds, increasing total COLA funding to \$47.2 million.

### State MR Centers

DPW operates five state centers: Ebensburg, Hamburg, Polk, Selinsgrove, and White Haven. These facilities provide 24-hour residential care and specialized health and habilitation services to approximately 1,300 individuals.

State funding for the MR Centers is \$107.2 million in 2007/08, an increase of \$3.65 million. Budgeted funds pay the staff, operating expenses and fixed assets needed by DPW to effectively run the centers. The annual funding level is primarily driven by personnel costs, which account for four/fifths of total expenditures. This is because the staffing levels for each center must meet minimum staff-to-client ratios required to maintain federal certification and avoid the loss of federal Medicaid funding.

### Intermediate Care Facilities/MR

DPW contracts with 204 private intermediate care facilities that provide 24-hour residential and habilitation services to approximately 2,500 individuals. The ICFs/MR vary in size: 185 are homes that serve four to eight people, and 19 are large facilities that serve more than eight people (the largest facility serves 299 people).

State funding for the ICFs/MR is \$125.5 million in 2007/08, an increase of \$9 million. Budgeted funds pay the per diem rates made by DPW to contracted ICF/MR providers.

### QUESTIONS AND COMMENTS

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